

YADKIN COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION MINUTES
Monday, February 7, 2011

The Yadkin County Board of Commissioners met in Regular Session on Monday, February 7, 2011, in the Yadkin County Human Services Building (Commissioners' Meeting Room), 217 East Willow Street, Yadkinville, NC.

Present were:

Chairman Kevin Austin
Vice Chairman Frank Zachary
Commissioner Gilbert Hemric
Commissioner David Moxley
Commissioner Marion Welborn

Staff present: County Attorney, James Graham; County Manager, Aaron Church; Assistant County Manager/Finance Officer, Lisa Hughes; and Deputy Clerk to the Board, Tanya Gentry.

CALL TO ORDER by Chairman Austin at 9:00am.

INVOCATION led by James Graham.

PLEDGE OF ALLEGIANCE led by Chairman Austin.

ADJUSTMENTS TO/ADOPTION OF THE AGENDA

Chairman Austin requested that item #6 (Budget Amendment for Health Department Cleaning) be moved from Consent and made item #2 under Board Actions. **Vice Chairman Zachary made a motion to accept the agenda with the noted adjustments. Commissioner Welborn second.**

Vote: 5/0

PUBLIC COMMENTS

- 1) **Peggy Boose from Boonville** appeared before the Board to request they reconsider postponing the property tax revaluation. She used her personal situation as an example but stated there were others like her in the County. In June she paid \$3,500.00 to have property surveyed so it could be sold. She went to the Board of Equalization and Review to appeal the property value and got it reduced significantly but still cannot sell it for the property tax value. She stated she helped several people appeal their property tax value during the last evaluation and feels that a big portion of the property in Yadkin County is over-valued right now. Citizens cannot afford to pay taxes on over-valued property.
- 2) **Brady Wooten from Hamptonville** appeared before the Board because he was concerned with the reappraisal of property decision that the Board faced. He encouraged the Board to put off the decision and study it more before going forward. He stated that the Schedule of Values that was used in the last appraisal was unusually high; it used inflated 2007-2008 sales numbers that came from an overheated real estate market. At the end of 2008, after the Schedule of Values had been setup, he pulled copies of deeds recorded in November and December of 2008 that showed sale prices of property sold were well below the 2005 and 2009 tax appraisal values. An example he used was, a bank appraised a piece of property at \$425,000.00 and gave the person a loan for that amount; in three years, a new appraisal had to be done to refinance the property, that October of 2009 appraisal stated the property was worth \$275,000.00. He understands

that we may be at 100% valuation but is concerned with the number of property owners who are at over 100% valuation. He believes the 2013 Schedule of Values will reflect a decrease in property values. He encouraged the Commissioners to take a careful look before going to an eight (8) year reappraisal schedule.

There were no further Public Comments. Chairman Austin closed the Public Comments portion at 9:14am.

APPROVAL OF MINUTES

Commissioner Moxley requested that on page 4, in the first paragraph, "two major grants totally" be changed to "two major grants totaling". Chairman Austin requested that on page 4, in the second paragraph, "merger of Telebus and Piedmont Triad" be changed to "merger of Northwest Piedmont Council of Government and Piedmont Triad Council of Government". **Commissioner Moxley made a motion to approve all sets of minutes with the noted changes. Commissioner Hemric second.**

Vote: 5/0

REPORTS/REQUESTS OF THE BOARD

- 1) Brandon McCann appeared before the Board to give a progress report on Cascade Highlands. The representatives from Yadkin County are Commissioner David Moxley and Bobby Todd. It was started in 2007 as the Regional Tourism Initiative and is now called Cascade Highlands. Yadkin County has contributed \$15,000.00 to its projects. They focus on marketing, media relations, research, and education initiatives. Twice a year, they hold Tourism Summits and bring in speakers. There are also free one hour webinars available on the internet. Currently, they are seeking funds from the private sector, corporate sponsors, and foundation grants. Over the last two years, Cascade Highlands generated approximately \$40,000.00 in publicity for Yadkin County. The article that generated the most publicity was getting all of Yadkin County's wineries on the front page of the Travel Section of the Pittsburgh Post-Gazette's Sunday Travel Edition. Cascade Highlands also hosted the first Yadkin Valley Wine Tour in the spring; 14 travel writers attended.
- 2) David Swann appeared before the Board to give a mid-year report on Crossroads Behavioral Healthcare. Crossroads Behavioral Healthcare serves as the Local Management Entity for mental health services in Iredell, Surry, and Yadkin counties. It provides 24/7 access to a care line that people can call. The care line is based out of the Elkin, NC office and covers approximately 1.8 million citizens because it not only serves Surry, Yadkin, and Iredell, but is also contracted out to Gaston, Lincoln, Cleveland, Wake, Catawba, and Burke. The three major things that are being looked at now are: impending State fund reductions that will change their service array, the pressure to consolidate into larger regions, and the impact of the Affordable Health Care Act. County Funds make up 5% of their approximately \$25 million budget. Crossroads Behavioral Healthcare receives approximately \$55 million a year in Medicaid money for its three counties. The total expenditures, including Medicaid, for the three counties are over \$85 million a year. Crossroads Behavioral Healthcare has a Crossroads Crisis Recovery Center located in Statesville, NC that provides an alternative to hospitalization for adults who have a mental illness, a developmental disability or a substance abuse disorder. This facility accepts both voluntary and involuntary admissions; from July through December 2010, 22 Yadkin County citizens were admitted. In December the facility expanded from 6 beds to 12 beds to provide care to more citizens. In October of 2010, Crossroads Behavioral Healthcare contracted with Davis Regional Medical Center in Statesville, NC for 16 beds to be used for involuntary admissions. The State agreed to pay \$1,200,000.00 annually for the next three years so Crossroads Behavioral Healthcare could purchase 5 beds per day at Davis Regional.
- 3) Mark Brandon of W.N. Ireland appeared before the Board to give a quarterly report on the County's liability insurance. W.N. Ireland's contract fee is a flat fee with no commissions for

three years. He is meeting monthly with Lisa Hughes to discuss ways of identifying risk factors and minimizing risks. The 5D Dam has umbrella liability insurance coverage of \$3 million. The Commissioners on the Board last year wanted quotes on raising the coverage. The current premium for the \$3 million coverage is \$11,526.00 per year. If it is raised to \$5 million, the premium would be \$13,371.00 per year. If it is raised to \$10 million, the premium would be \$16,746.00 per year. He suggested at least increasing the coverage to \$5 million in case there is a catastrophic event. The 5D Dam is a big potential risk factor the County has. A representative from Houston Casualty Company came in and met with Lisa Hughes and most of the Department Heads; he had some recommendations that have been done and signed off on. Everything seems to be going well on mitigating and controlling risks. There have been a couple of auto claims in the last two months due to ice and the deer population. Mark Brandon and Todd Vestal are working on organizing the equipment; and Todd Vestal, Lisa Hughes, and Mark Brandon are working on getting the vehicle list organized and consolidated. He stated that it is an honor to work with the County employees.

- 4) Lisa Hughes presented a fiscal report to the Board. The financial audit was performed by Martin, Starnes & Associates; their contract was extended to review internal controls primarily focusing on cash management, purchasing, and budgeting. The Extended Review is complete and Martin, Starnes, & Associates will present a report to the Board on the extended audit findings and recommendations. She went over the General Fund, Special Revenue Funds, Enterprise Funds, and Fiduciary Funds. She described what made up each fund and what it was used for. Fiduciary Funds are funds that we hold in our possession that are not ours to spend; those funds belong to someone else and the goal is for those fund accounts to have a zero balance at the end of the year. Enterprise Funds are intended to be self-sustaining. Special Revenue Funds are funds that have a specific purpose they are used for; they cannot be used for anything else. GASB statement number 54 comes out this fiscal year and will impact our Special Revenue Funds by redefining them. The Debt Service Fund will no longer be classified as a Special Revenue Fund. The GASB statement will also change our definitions and classifications of fund balance. Money that doesn't fit into Special Revenue Funds, Enterprise Funds, or Fiduciary Funds, falls into the General Fund by default. The Water and Sewer Fund is an Enterprise Fund that is supposed to be self-sustaining, but it is not; it is being sustained by the General Fund which has caused the Local Government Commission to write us up. The Water and Sewer Fund should be closed and consolidated within the General Fund. There is a Debt Service Fund that money is transferred into to pay debt service, but Debt Service should be paid directly out of the fund that is responsible for the debt. The Debt Service Fund should be closed. The Capital Reserve Fund is a Special Revenue Fund that is intended to establish "reserves" for future capital needs and should have a clearly identified purpose. The Board of Commissioners can establish a policy that states fund balance over a certain percentage amount will go into the Capital Reserve Fund for future building needs or a flat dollar amount can be set aside each year. The General Fund will be affected by "loans" made to the Water and Sewer Fund that it cannot repay; if the Board did not intend for the money to be a loan, adjustments will need to be made this fiscal year for last fiscal year. Lisa Hughes is working with Jason Walker to go through the 5D expenditures to see how much money should be left for that project.

CONSENT AGENDA

Item #6 was moved to Board Action later in the meeting. Chairman Austin made a note that Item #2 on page 40, the Fiscal/Budgetary Effect should say "Will **not** require additional appropriation"; Dr. Leon Robbins was generous enough to offer his services at no cost. **Commissioner Moxley made a motion to approve the consent agenda with Item #6 held for further review later in the evening.**

Commissioner Welborn second.

Vote: 5.0

- 1) Approve the Development of a Policy allowing Volunteers at the Yadkin County Animal Shelter.

- 2) Approve the Contract for a Director of Veterinary Medicine.
- 3) Sign Agreement with NC Dept. of Justice to Accept Funds for Low Income Heating Assistance Program.
- 4) Approve the Contract with Core Path Solutions LLC.
- 5) Approve the Contract with Yadkin Valley Community Hospital and Dr. Bruce Bolling.
- 6) Moved to Board Action as Item # 2
- 7) Budget Amendment for Health Department Cleaning Contract.
- 8) Approve Monthly Stipend for the Sheriff of Yadkin County for cell phone and/or PDA.

MANAGERS BUDGET AMENDMENTS / NO ACTION REQUIRED

- 1) None

BOARD ACTION

- 1) Resolution to either Return to the Octennial Reappraisal Schedule or to Postpone the January 1, 2013 Reappraisal. Phyllis Adams requested to postpone the revaluation scheduled set for January 1, 2013 to either January 1, 2015 or to the octennial date of January 1, 2017. Chairman Austin asked where our evaluations are now compared to market value and are our evaluations fair. The main reason to do a revaluation is to make the values fair to all taxpayers. Clayton Campbell, Revaluation Coordinator/Reappraisal Supervisor, responded to Chairman Austin's questions. The way appraisal value is compared against market value is gauged through a Sales Ratio Study that is done by the Department of Revenue with the outlying exceptions (ex. sales to related parties, etc) eliminated. Yadkin County sends appraisal value data to the Department of Revenue so they can analyze it. The equity factor is lost if the sales ratio shows that Yadkin County's appraisal values are off by 10% or more and the revaluation would need to be done. The County's sales ratio is currently at 1.0268 which means that Yadkin County's appraisal values are running approximately 2% over market price and that has been consistent for the last four (4) quarters. The data shows that Yadkin County's appraisal values are equitable now. There is currently a low volume of sales with no dramatic increases or decreases in value. The County's sales ratio is at 100%. It is recommended that the revaluation be postponed because there would not be a significant change in appraisal value if the expense of doing a revaluation was done on the current schedule. The cost to Yadkin County taxpayers would be approximately \$200,000.00 to do the revaluation and it would save the taxpayers only approximately \$160,000.00. Citizens can appeal their property value through the Board of Equalization and Review if they believe their property is over-valued; last year there were only four (4) complaints brought for appeal. If the Board of Commissioners adopts a Resolution tonight to postpone the reappraisal, they could still adopt another Resolution at a later Board of Commissioners Meeting to change the revaluation schedule again if it became necessary. **Commissioner Moxley made a motion to accept the resolution to postpone the January 1, 2013 reappraisal to January 1, 2015, with the scheduled reappraisals to be every four years after the 2015 reappraisal. Commissioner Welborn second.**

Vote: 5.0

- 2) Health Department Cleaning Contract. The cleaning contract was modified to meet the \$5,400.00 spending limit. The contract states the maximum number of hours allowed are 369 and the contract amount is not to exceed \$5,400.00. The Board verified with the Interim Health Director, Trish Belton, it took 10 hours a week to clean the Health Department and 3 hours a week to clean the Dental Clinic so approximately 284 hours were needed for cleaning. **Vice Chairman Zachary made a motion to approve the WorkForce Carolina Contract. Commissioner Hemric second.**

Vote: 5/0

Commissioner Welborn made a motion to extend the meeting to 12:00pm. Commissioner Moxley second.

Vote: 5/0

CALENDAR NOTES

None

RECESS

None

MANAGER'S REPORTS/BOARD ACTION

- 1) County Manager, Aaron Church, informed the Board about an article in the Winston-Salem Journal titled "Details Bedevil Budget Process". In the article it talked about the Department of Corrections and the State cuts possibly ending prison sentences for misdemeanors and allowing those prisoners to serve their time in County Jails. If this occurs, Yadkin County would have to be able to support those prisoners in the County Jail or would have to pay for those prisoners to be housed in another County's Jail.

COMMISSIONER COMMENTS

Commissioner Welborn stated the Board did the right thing by extending the revaluation of property. He appreciated everyone coming.

Vice Chairman Zachary thanked everyone for coming. He appreciated the citizens who spoke and stated their concerns were noted and felt, but the data justifies the Board's decision to extend the revaluation. He also appreciated the Board's actions last week while Commissioner Welborn and he were absent. He regretted that they were not able to be present.

Commissioner Moxley agreed with Commissioner Welborn and Vice Chairman Zachary in their statements regarding extending the revaluation. The citizen's requests were heard but the Board did the right thing by postponing the revaluation. The Board will be as responsible with taxpayer money as they possibly can. He informed those present that Yadkin County had two families who lost their homes to house fires this past week. One family was Dale and Angie Holcomb; Dale's father was the Fire Chief of Yadkinville's Fire Department for many years. There was a quick response time but the home could not be saved. The other person who lost a home was Paul Williams. Please keep the Holcomb's and Mr. Williams in your thoughts and prayers.

Commissioner Hemric thanked the people for coming. He stated he agreed the Board members had done the right thing by postponing the property tax revaluation.

Chairman Austin recognized Sheriff Oliver for attending the meeting. He stated that he remains committed to lowering citizen's tax bills through reduced spending.

Attorney Graham had no comments.

Vice Chairman Zachary made a motion to go into Closed Session pursuant to NCGS 143-318.11(a)(3)(4)(5)(6) for Legal, Economic Development, Property Acquisition and Personnel Matters. Commissioner Hemric second.

Vote: 5/0

Upon returning from Closed Session, Chairman Austin passed out information from the COG Meeting about the merger of the two COG Boards. The merger will cost Yadkin County a little over \$5,000.00 less a year.

Vice Chairman Zachary made a motion to create the position GIS Analyst at a Grade 70 and eliminate the position Addressing/GIS Administrator Grade 71 and Land Records Assistant Grade 50. Commissioner Welborn second.

Vote: 5/0

Commissioner Welborn made a motion to transfer Matthew Hamby from Land Records Supervisor Grade 68 from Tax Administration to GIS Analyst Grade 70 Step 4 in Planning and Development. Commissioner Hemric second.

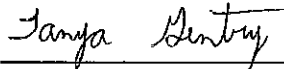
Vote: 5/0

Commissioner Moxley made a motion to transfer David Hayes from Land Records Assistant Grade 59 Step 8 to Land Records Supervisor Grade 68 Step 1. Vice Chairman Zachary second.

Vote: 5/0

Commissioner Welborn made a motion to adjourn. Vice Chairman Zachary second.

Vote: 5/0



Prepared by Tanya Gentry
Deputy Clerk to the Board



Kevin Austin, Chairman
Yadkin County Board of
Commissioners

2/21/2011

Date approved by the
Yadkin County Board of Commissioners